



# IBOA CONNECT



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## WELCOME 2023

Dear Comrade,

We warmly welcome the New Year 2023 and looking forward to prosperity and good life. As we all individually and collectively help each other in official and non-official matters for the betterment of the Bank and individuals, let this coming year will be a wonderful New Year for all of us. Still, Systemic issues around us pose many challenges to all of us. Therefore, we are collectively endeavouring to address these issues.

Challenges come in different forms and it is dynamic. It is in the form of an economic slowdown due to Covid pandemic, Russia-Ukraine War and the resultant inflation, and rupee depreciation etc., The inflation and rupee depreciation have been caused by two specific factors, neither of which is transient: one is a widening of the current account deficit and the other is a net outflow of finance from the economy to dollars or dollar-denominated assets due to increasing in interest rate by Federal Reserve System. RBI has been increasing the Repo rates to contain inflation and arrest the outflow of investments, which again affects demand in the market.

Apart from the impact of macroeconomic factors, we face formidable challenges from the Government policies on Public Sector Banks and subsuming the labour laws into labour codes aimed to weaken the hard-earned rights of the working class. At present, the government desperately trying to complete the divesting of IDBI Bank stake sale through which it wants to convey that it is committed to divesting large businesses it owns and using funds to bolster public finances. To privatize Public Sector Banks, the Government is waiting for a suitable time

to introduce Banking Laws Amendment Bill in the Parliament. It is very unfortunate, as public sector enterprises have been formed based on certain social philosophies such as promoting self-reliance, promoting the indigenous industry, providing essential services at affordable prices and rescuing people from the clutches of the money lenders, etc., On some issues at the Industry level, we can see the light at the end of the tunnel. The increase in family pension to 30% and positive development on remaining Saturdays holidays. Our Apex organization also has submitted the charter of demands for the 9th Joint Note with IBA, due from 1st November 2022.

In our Bank, we could clinch enhancement in some of the perquisites and await enhancement in others. We are vehemently pursuing with the Management in addressing the workforce shortages. The mother of the problem in the Institution is the Manpower problem. The provision of required workforce can address many incipient issues. Further at the Industry level, Bond market, Mutual Fund and Digital lending gather pace. The Banking landscape will witness a sea change, which would throw many challenges and opportunities for the workforce. As a responsible trade union, we will overcome the challenges to ensure prosperity for the institution and the workforce while encashing opportunities.

We wish you a Happy and Prosperous New Year.

Comradely Yours,

**R Sekaran**  
Secretary General

*Wish You a  
Happy New Year & Pongal Harvest Festival*



# REMITTANCE TO INDIA

## Context :

In its Migration and Development Brief, the World Bank has said India's remittance will grow 12 per cent from 7.5 per cent last year, resulting in \$100 billion flow as compared to \$89.4 billion in 2021.

- It attributed the feat to the large share of Indian migrants earning relatively high salaries in the United States, United Kingdom and East Asia.

## About Remittance :

- The sum of worker's remittances, compensation of employees, and migrants' transfers as recorded in the IMF Balance of Payments. Workers remittances are current transfers by migrants who are considered residents in the source.
- Remittances are a vital source of household income for low- and middle-income countries.

## Key findings of the report : South Asia :

- Led by strong performances in India and Nepal, the WB has predicted that this year will grow 3.5 percent to reach \$163 billion in 2022.
- While India has gained 12 percent and Nepal 4 percent, other countries have reported an aggregate decline of 10 percent.
- The report also says that despite global challenges in 2022, remittances to low- and middle-income countries will grow by 5% to \$626 billion.
- This is, however, a slowdown from the 6.7 percent gain of 2021, reflecting the impact of an amalgam of external global shocks (inflation, slowing demand) in destination and source countries alike, as well as domestic factors.

## Global remittance :

- The growth of remittance flows into South Asia in 2023 is expected to slow to 0.7 percent.
- The year will stand as a test for the resilience of remittances from white-collar South Asian migrants in high-income countries.
- Remittance flows in India, specifically, are predicted to decrease due to inflation and an economic slowdown in the United States.
- Decline in economic growth in the GCC coupled with a fall in oil prices will further pull remittance flows down to all South Asian countries, the report states.

## Reason for this rise :

- The large share of Indian migrants earning relatively high salaries in the United States, United Kingdom and East Asia.
- There's been a gradual shift in **destinations for Indian migrants**.
  - Migrants moved from largely low-skilled, informal employment in the **Gulf Cooperation Council (GCC) countries** to a dominant share of high-skilled jobs in high-income countries such as the United States, the **United Kingdom, and East Asia (Singapore, Japan, Australia, New Zealand)**.
- A structural shift in qualifications helped them move into the highest-income-earner-category, especially in services.
- Higher education mapped onto high income levels with direct implications for remittance flows.
- During the Covid-19 pandemic, **Indian migrants in high-income countries benefited from work-from-home and large fiscal stimulus packages**.
  - As the pandemic eased, the wage hikes and "record-high employment conditions" helped migrants send money home despite high global inflation.
- Despite Indian migrants in the Gulf Cooperation Council returning to India during the pandemic, **price support policies kept inflation at bay and demand for labour increased with higher oil prices**, which in turn increased remittances for Indian labourers.
- **Depreciation of the Indian rupee to the US dollar** — it fell 10 percent between January and September 2022 — proved to be advantageous for Indian migrants and increased remittance flows.
- In last two years, **vaccinations and the resumption of travel** helped migrants resume work, increasing remittance to the country.

## Significance of rise in remittances :

- Money sent home by migrants is one of the largest financial inflows to developing countries.
- Workers' remittances are a significant part of international capital flows, especially with regard to labour-exporting countries.
- Remittances are a more stable and reliable form of foreign earnings in many developing countries in comparison to FDI or international aid.

- It helps in alleviating the Balance-Of-Payments (BOP) and the debt crisis of such countries.
- Remittances are a stabilising factor for national currencies of developing countries.
- Remittances are helping to meet families' increased need for livelihood support.
- As COVID-19 still devastates families around the world, remittances continue to provide a critical lifeline for the poor and vulnerable.
- **Growing significance of remittances as a source of external financing for low- and middle-income countries**, there is a need for better collection of data on remittances, in terms of frequency, and timely reporting.
- **Supportive policy responses**, together with national social protection systems, should continue to be inclusive of all communities, including migrants.

According to the **RBI surveys**, the **share of remittances meant to finance family maintenance varied between 49 – 61% of total remittances**. Thus, the benefit provided by migrant workers in the form of remittances help manage India's balance of payments to a considerable extent.

**Source: Indian Express**

#### **Way Forward :**

- The World Bank is assisting member states in monitoring the flow of remittances through various channels, the costs and convenience of sending money, and regulations to protect financial integrity that affect remittance flows.

## **IMPORTANT CIRCULARS DURING THE MONTH OF DECEMBER 2022**

<b>Date of Issue</b>	<b>Circular No.</b>	<b>Subject</b>
01.12.2022	ADV – 229	MODIFICATION UNDER IND MORTGAGE SCHEME
01.12.2022	ADV - 228	BORROWERS HAVING OLD WO/OTS /SETTLED STATUS IN THEIR CIC REPORTS
01.12.2022	ADV - 225	INTRODUCTION OF TOP-UP LOAN SCHEME "IBCLS PLUS" FOR EXISTING IBCLS CUSTOMERS
02.12.2022	ADV - 232	CGTMSE NEW GUIDELINES / MODIFICATIONS
02.12.2022	GENL - 10	INTRODUCTION OF NEW DEBIT CARD MANAGEMENT SYSTEM (DCMS)
07.12.2022	ADV - 235	REVIEW OF REPO LINKED BENCHMARK LENDING RATE
13.12.2022	ADMIN - 88	PROPER MANAGEMENT OF SUNDRY DEPOSIT BGLS
15.12.2022	GENL - 11	COMPLIMENTARY AIRPORT LOUNGE ACCESS PROGRAM ON MASTERCARD DEBIT CARDS
17.12.2022	DEP – 49	LAUNCHING OF NEW FIXED MATURITY TERM DEPOSIT PRODUCT - "IND SHAKTI 555 DAYS"
17.12.2022	DEP – 48	REVISION OF INTEREST RATES ON DOMESTIC RETAIL TERM DEPOSITS
19.12.2022	DEP – 51	ALLOWING ALL THE CIF RELATED AMENDMENTS AT BRANCH LEVEL UNDER TWO STEP (MAKER-CHECKER) PROCESS INSTEAD OF CAPC VERTICALS
19.12.2022	ADV - 242	RECENT JUDGMENTS OF HON'BLE SUPREME COURT OF INDIA IN SARFAESI MATTERS
20.12.2022	ADMIN - 90	COMPLIANCE OF KYC/AML GUIDELINES- CAPTURING OF ENHANCED DUE DILIGENCE (EDD) MEASURES IN CBS FOR "HIGH" RISK CUSTOMERS
22.12.2022	HRMD - 107	NEW AGE PMS PROGRAM NAMED IND-PRIDE (PERFORMANCE REVIEW FOR INDIVIDUAL DEVELOPMENT AND EXCELLENCE)
23.12.2022	HRMD - 109	PROMOTION PROCESS FROM SUB-STAFF CADRE TO CLERICAL CADRE - 2022-23 - INVITING OF ONLINE APPLICATIONS
23.12.2022	HRMD - 108	SELECTION OF CLERICAL STAFF AS SPECIAL ASSISTANTS 2022-23 - FILLING UP OF DROP OUT VACANCIES.
26.12.2022	GENL - 13	PREVENTION OF INTERNAL FRAUDS
26.12.2022	GENL - 12	EXISTENCE OF VIGILANCE ANGLE - BROAD PARAMETERS
26.12.2022	ADV - 249	MODIFICATION IN EXISTING GUIDELINES OF IB RENTAL SCHEME
26.12.2022	ADV - 245	RBI MASTER DIRECTIONS ON PRIORITY SECTOR LENDING - TARGETS AND CLASSIFICATION

***Non Inclusion of a circular does not reflect on its importance.***



# E Rupee Vs UPI

## Context :

Reserve Bank of India (RBI) has announced the launch of India's much-awaited Central Bank Digital Currency (CBDC), **E-Rupee**, a sort of official cryptocurrency, **for retail users from December 1.**

- RBI defines the CBDC as the digital form of currency notes issued by a central bank. It is a sovereign or entirely independent currency issued by the central bank (in this case, RBI), in accordance with the country's monetary policy.

## What is the retail e-Re?

- E-Rupee (e-Re) is the common name associated with CBDC or central bank digital currency. It is a digital form of legal tender or currency.
- E-Re could be wholesale and retail. A pilot for the wholesale was launched on November 1, while that for the retail version was on December 1.
- Four banks – SBI, ICICI Bank, IDFC First Bank and YES Bank – will participate in the first phase of the pilot and four more banks – HDFC Bank, Bank of Baroda, Union Bank and Kotak Mahindra Bank will subsequently be added to the plan, which would cover 13 cities in a phased manner.
- Just like how telecom operators launch products, e-Re will also be tested on closed user groups or CUGs.
- The pilot phase is aimed at customers of those banks roped in for the project, as the aim is to test the efficacy of the product.
- Eventually, the retail version of e-Re can be used by individuals for all transactions, where they use cash to buy things, to give to friends or relatives, to repay debt, etc.
- While there are no specific transaction limits in value or volume terms, in the initial phases, e-Re may be limited to low-ticket usages.

## How will e-re work?

- Consider cash being consumed out of the digital wallet instead of physical wallets; that's the way e-Re would function and it would bear the sovereign stamp.
- In the **pilot phase, e-Re would be a push product.** Banks would send out a link to identified customers through an email or text message, whereby the e-Re app could be downloaded.

- Using the mobile number, the customer verification or KYC would be conducted and upon successful completion of KYC, the digital wallet is good to use.
- The user will then be able to **transfer money from the bank account to the wallet.** Simply put, instead of withdrawing money from an ATM, you are transferring money into a digital wallet.
- The amount transferred would assume the exact denominations of physical cash and **will not earn interest** when parked in the e-wallet.
  - RBI is **not in favour of e-rupee with interest.** Because people might withdraw money from banks and convert it to digital rupee – causing banks to fail.
- Therefore, how much non-interest generating money would a user be willing to accommodate would be a determining factor to gauge the acceptance of e-Re.

## Why is the RBI moving towards the e-Re?

- e-Re seems to be a natural next step in the evolution of official coinage (from metal-based money, to metal-backed banknotes, to physical fiat money)
- There is a cost incurred in printing, transporting and storing currencies and coins that can be rationalised through e-Re.
- E-Re is also targeted at those who don't have a bank account, but can use digital currencies **similar to a pre-paid mobile recharge card.** Likewise, it is not aimed at just smartphone users, but every person with a mobile phone.
- The ₹ can be converted to any commercial bank money or cash. It would be a fungible legal tender for which holders need not have a bank account – hence, strengthening the cause of **financial inclusion.** Therefore, e-Re would aid in formalising the **digital consumption** of money.
- More importantly, it would provide the general populace an **alternative to unregulated cryptocurrencies** and their associated risks.
- It will add **efficiency to the settlement system** and boost innovation in cross-border payments space and provide the public with uses that any private virtual currencies can provide, without the associated risks.

- Issuing CBDC allow central banks to **more effectively satisfy public policy goals**, including operational efficiency, financial stability, monetary policy effectiveness, and financial integrity.
  - The RBI had stated that the key motivations for exploring the issuance of CBDC in India among others include reduction in operational costs involved in physical cash management, fostering financial inclusion, bringing resilience, efficiency and innovation in the payments system.

### What is UPI?

- **Unified Payments Interface (UPI)** is a **common platform** through which a person can transfer money from his bank account to any other bank account in the country instantly using nothing but his/her UPI ID.
- It was launched in **2016** as Mobile First digital payments platform
- It enables immediate money transfer through mobile device round the clock 24\*7 and 365 days based on the **Immediate Payment Service (IMPS)** platform so as to make cashless payments faster, easier and smoother.
- UPI is completely interoperable and as such, it is unique in the world, where you have an interoperable system on the 'send' and 'receive' side
- It also caters to the **"Peer to Peer" collect request** which can be scheduled and paid as per requirement and convenience.
- Developed by: **National Payments Corporation of India (NPCI)** under the guidance from RBI.
  - NPCI, an umbrella organisation for operating retail payments and settlement systems in India, is an initiative of Reserve Bank of India (RBI) and Indian Banks' Association (IBA) under the provisions of the Payment and Settlement Systems Act, 2007.
  - It is a "Not for Profit" Company under the provisions of Section 25 of Companies Act 1956 (now Section 8 of Companies Act 2013), with an intention to provide infrastructure to the entire Banking system in India for physical as well as electronic payment and settlement systems.

- According to the Reserve Bank of India's Payment Vision 2025, UPI is expected to register an average annualised growth of 50 per cent

### Will usage of e-Re hurt the adoption of UPI?

- This is a genuine fear, but UPI can continue to find takers.
- **UPI works on a settlement basis between two banks.** That is, on the front-end, money transfer happens instantly, but at the backend, it takes about a day for inter-bank settlements to conclude.
- There is a settlement risk in UPI, since there is an **intermediary involved**. But in e-Re, there is no settlement risk, since it is issued by the RBI and could also be much faster.
- Further, since **UPI is a bank-to-bank payment mode**, there is a transaction or audit trail it leaves, which e-Re won't because it is **wallet-to-wallet transfer**.
- RBI is likely to allow anonymity in e-Re transactions, at least in the small-ticket ones. Those who don't want an audit trail will prefer e-Re.
- Three, customers are unlikely to be charged anything for using e-Re since usage of cash does not involve any charges. **UPI is free now, but could become chargeable** going ahead.
- Users could shift to e-Re from UPI, if it proves efficient and trustworthy, and does not have technical glitches.
- But those who prefer to keep money in bank deposits and make payments using these interest-earning deposits will continue to prefer UPI.

### What are the challenges with retail e-Rupee?

- From a customer perspective, UPI has established ease of use. Therefore, e-Re needs to prove that it is equally user-friendly with sound technology and data privacy provisions, to lure users.
- Users also face **digital theft** such as hacking and virus attacks, which could deter some people.
- The cultural and social mind-set in the country, which leads to greater use of physical currency, is also a hinderance.

## WEDDING BELLS



**Selvi. B Renuka**  
(D/o Com. V S Balaji, JSG, IBOA (TN &P))  
**Married to**  
**Selvan. Veera Vignesh**  
**At Chennai on 04.12.22**

**Com. N Mugundhan, B Tech**  
Asst Manager, Indian Bank, Zonal Office, Cuddalore  
**Married to**  
**Selvi. K T Dhivya, M.E.,**  
Asst Professor,  
Bannari Amman Institute of Technology, Sathy  
**At Gobichettipalayam on 04.12. 22**

**Com. S Manikandan**  
Asst Manager, Indian Bank, Zonal Office, Cuddalore  
**Married to**  
**Selvi. G Angeswari**  
**At Dharmapuri on 04.12.22**

**Com. V Sushil Arvind, B.E.,**  
Asst Manager, IND MSME Coimbatore  
Executive Committee Member, IBOA(TN&P)  
**Married to**  
**Selvi. R . Krishna Jothi, B.E, M.B.A**  
**At Nagercoil on 10.12.22**

**Dr. R Deepak Prem**  
(s/o, Com. P Ramasamy, Senior Manager,  
Corporate Office)  
**Married to**  
**Selvi. S Vinisha**  
**At Chennai on 10.12.22**

***AIIBOA Wishes a Very Happy Married Life to the Newly Wedded Couple.***

## RETIREMENTS

Sl. No.	Name	Designation	Branch
1	COM. RAVINDER SINGH	FIELD GENERAL MANAGER	FGMO DELHI
2	COM. RANJIT SINGH BHURJI	ASST. GENERAL MANAGER	ZO:PUNE
3	COM. SRIPRADHAYINI	CHIEF MANAGER	FGMO CHENNAI
4	COM. ANIL KUMAR	CHIEF MANAGER	IC PATNA
5	COM. HARIMOHAN DEKARAJA	ASST. BRANCH MANAGER	GUWAHATI MAIN
6	COM. MOSES PRADEEP SINGH	SENIOR MANAGER	BHILAI
7	COM. KUMAR I	ASST. BRANCH MANAGER	CHEYEAR
8	COM. SUBRATA KUMAR PANDIT	ASST. BRANCH MANAGER	A J C BOSE ROAD
9	COM. IRKAN MENON TIGGA	SENIOR MANAGER	RANCHI
10	COM. ARUN KHANDELWAL	ASST. BRANCH MANAGER	ABHAYKHAND, GHAZIABAD
11	COM. SATISH CHAND	ASST. BRANCH MANAGER	BULANDSHAHR
12	COM. NANDA RAM HANSDA	ASST. BRANCH MANAGER	CHITRA COLLIERY
13	COM. SUSHIL TIRKEY	MANAGER	CIRCULAR RD
14	COM. NIRMAL KURI	ASST. BRANCH MANAGER	B B CHATTERJEE ST
15	COM. RATAN CHANDRA NASKAR	ASST. BRANCH MANAGER	TOLLYGUNGE
16	COM. MADEM SAVITRI	MANAGER	MADDILAPALEM (VISAKHAPATNAM)
17	COM. ILANGO VAN H	ASST. BRANCH MANAGER	PALLAVARAM
18	COM. PREETAM SINGH SARYAM	MANAGER	HAMIDIA ROAD
19	COM. AMITABHA MALLIK	ASST. BRANCH MANAGER	RAJBATI
20	COM. THANGAMANI S	MANAGER	ANAKAPUTHUR
21	COM. SUJATHA N	ASST. BRANCH MANAGER	KALAMPALAYAM
22	COM. ARUMUGAM E	ASST. MANAGER	KOYAMBEDU
23	COM. TARUN KANTI PAL	ASST. BRANCH MANAGER	KOLKATA GOPALLAL THAKUR R
24	COM. DHARMENDER SINGH	ASST. BRANCH MANAGER	BHIWANI
25	COM. SIBANI BHATTACHARYA	Officer - Currency Chest	MAHANANDA PARA

***AIIBOA Wishes the above Comrades a Very Happy, Healthy and Peaceful Retired Life.***



# Photo Gallery

Our Leaders extend New Year Greetings with Diary to our Executives and members.





# Photo Gallery



Com Rupam Roy, GS, AIBOC visited our Assn Office on 15.12.2022



Consultative meeting held with FGMO, Mumbai on 16.12.2022.

## MEMBERS MEET



At Salem on 26.12.2022



At Kanchipuram on 22.12.2022



Members Meet Chinsurah on 18.12.2022



IBOA (AP & TS) Cricket Tournament held at Hyderabad on 10.12.2022